

Srinivasan Soundararajan
Assistant General Counsel - Interconnection



1515 North Courthouse Road
Suite 500
Arlington, VA 22201

Phone: 703 351-3187
Fax: 703 351-3664
srinivasan.soundararajan@verizon.com

September 17, 2004

VIA ELECTRONIC MAIL AND FACSIMILE

Ms. Pamela L. Hintz
Vice President of Regulatory Affairs
CTC Communications
220 Bear Hill Rd,
Waltham, MA 02451

Dear Ms. Hintz:

This responds to your letter on behalf of CTC Communications ("CTC") dated September 3, 2004. In that letter CTC reiterates its objection to Verizon's plans to cease providing on an unbundling basis at TELRIC rates in Massachusetts enterprise switching and shared transport used in connection with such switching, as more specifically described in Verizon's May 18 notice to CTC. Verizon further understands that CTC now objects to similar actions by Verizon in New York. I address certain points in your letter below.

First, as Verizon detailed in its August 19, 2004, letter to CTC, the express terms of CTC's interconnection agreement in Massachusetts (the "Agreement") already allows Verizon to cease providing delisted UNEs with no specified notice, without the need for a conforming amendment.¹ Verizon's May 18 notice not only met, but substantially exceeded this obligation.

¹ As Verizon has previously noted, Section 1.5 of the UNE Remand Attachment appended to Amendment 1 of the Agreement provides:

Without limiting Verizon's rights pursuant to Applicable Law or any other section of the Agreement, this UNE Remand Attachment and the Pricing Appendix to the UNE Remand Attachment to terminate its provision of a UNE or a Combination, if Verizon provides a UNE or Combination to CTC, and the Commission, the FCC, a court or other governmental body of appropriate jurisdiction determines or has determined that Verizon is not required by Applicable Law to provide such UNE or Combination, Verizon may terminate its provision of such UNE or Combination to CTC.

Moreover, Section 2 of Amendment No. 1 of the Agreement provides "In the event of a conflict between the terms and provisions of this Amendment and the terms and provisions of the Terms, this Amendment shall govern, provided, however, that the fact that a term or provision

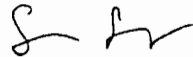
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Accordingly, Verizon intends to continue implementing the discontinuances described in the May 18 notice and any other notices. As stated in the May 18 notice, Verizon will not accept new orders for enterprise switching and, to the extent CTC has failed to migrate any UNE-P arrangements in question to alternative services, Verizon will bill any such arrangements that remain in place at a rate equivalent to the Section 251(c)(4) resale rate for business service.²

Second, CTC asserts that Verizon has not obtained approval from the Massachusetts Department of Telecommunications and Energy (the "DTE") or from the New York Public Service Commission (the "NYPSC") for Verizon's proposed wholesale rates. That is not correct. In each case, Verizon has added a surcharge to once-applicable UNE rates in order to migrate CTC to the respective Commission-approved resale rates without incurring service disruptions to the extent CTC has failed to arrange for replacement services or to request termination of the services prior to the dates specified in Verizon's prior notices. Because both the DTE and NYPSC have already approved the applicable resale rates, no further approvals are required. Of course, as Verizon stated in its notices, CTC is free to enter into alternative commercial arrangements with Verizon or request termination of the services if CTC does not wish to purchase the services at resale rates.

Please do not hesitate to contact me if you have any questions or if you wish to discuss this matter further.

Sincerely,



Srinivasan Soundararajan

cc: Jeffrey A. Masoner

appears in this Amendment but not in the Terms, or in the Terms but not in this Amendment, shall not be interpreted as, or deemed grounds for finding, a conflict for purposes of this Section 2." This provision overrides any provision of the underlying agreement (including, without limitation, Section 8.2) that could be misconstrued to require Verizon and CTC to negotiate an amendment prior to Verizon giving effect to its May 18 notices.

² That Verizon initiated arbitration proceedings in some states does not affect Verizon's rights under existing contracts to cease providing UNEs it is no longer required to provide. Verizon noted from the outset of those proceedings that "[m]any, if not all, of Verizon's interconnection agreements with CLECs [including CTC's agreements] permit Verizon to cease providing services, including access to UNEs, once applicable law no longer requires Verizon to provide such services" and that it was proposing to amend those agreements "not to establish, in the first instance, its right to cease providing access to such UNEs, but to carry that right forward in an amendment that also implements changes with respect to other UNEs to which Verizon must continue to provide access." Verizon Arbitration Petition at 3 n.4.